

Message Text

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PAGE 01 JERUSA 00524 130726Z

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 EB-08 TRSE-00 OMB-01 AID-05 IO-13 FEA-01

OES-06 /090 W

-----130800Z 050202 /20

R 121505Z APR 77

FM AMCONSUL JERUSALEM

TO SECSTATE WASHDC 8861

AMEMBASSY ABU DHABI

AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEL AVIV

AMEMBASSY JIDDA

AMEMBASSY TUNIS

AMEMBASSY TRIPOLI

AMEMBASSY ALGIERS

AMEMBASSY RABAT

C O N F I D E N T I A L JERUSALEM 524

E.O. 11652: GDS

TAGS: PFOR, PDEV, IS, JO, PLO, KU, UAE, SA

SUBJECT: AID TO WEST BANK MUNICIPALITIES

REF: JERUSALEM 498; DAMASCUS 2318

1. SUMMARY: THE PLO IS BEING CREDITED ON THE WEST BANK WITH FACILITATING FINANCIAL AID FROM THE ARAB OIL STATES TO THE MUNICIPALITIES. COMPARATIVELY LITTLE MONEY NOW EXPECTED FROM AMMAN. END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JERUSA 00524 130726Z

2. BOTH PRO- AND ANTI-PLO ELEMENTS ON THE WEST BANK ARE CREDITING THE PLO WITH A KEY ROLE IN INITIATING THE NEW FINANCIAL ARRANGEMENTS BETWEEN THE MUNICIPALITIES AND THE ARAB OIL STATES. ACCORDING TO BETHLEHEM MAYOR FREIJ, MOST OF THE MUSLIM MAYORS, BUT NO CHRISTIAN MAYORS, HAVE RECEIVED INVITATIONS FROM VARIOUS ARAB GOVERNMENTS TO VISIT AND

ASSURANCES THAT THEY WON'T GO HOME EMPTY-HANDED. FREIJ BELIEVES THERE IS A GOOD CHANCE THAT HEBRON'S MAYOR QAWASMI NOW ON HIS WAY TO GULF AREA MAY GET \$1 M FROM SAUDI ARABIA ALONE. FREIJ CLAIMS THE CHECKS HAVE ALREADY BEEN WRITTEN. NABLUS COUNCILMAN HATIM ABU GHAZALEH (PRO-PLO) CONFIRMS FREIJ'S READING OF THE PLO ROLE AND PREDICTS THAT NABLUS MAYOR BASSAM SHAKA' WILL LIKEWISE RECEIVE A WARM RECEPTION NOT ONLY IN THE GULF, BUT EVEN IN AMMAN WHERE NABULSIS ARE NUMEROUS AND INFLUENTIAL. BOTH GHAZALEH AND FREIJ BELIEVE SHAKA' WILL BE RECEIVED BY THE KING. UNLESS CURRENT LOOSE CURRENCY REGULATIONS ARE CHANGED BY THE GOI, FREIJ THINKS THERE WILL BE NO PROBLEM IN BRINGING THE FUNDS INTO THE WEST BANK.

3. ON THE BASIS OF RECENT CONVERSATIONS WITH ANWAR AL KHATIB, THE KING'S PAYMASTER ON THE WEST BANK, FREIJ NOW THINKS COMPARATIVELY LITTLE MONEY CAN BE EXPECTED FROM THE GOJ. ACCORDING TO FREIJ, THE RECENT MEETING OF THE GOJ COMMITTEE ON THE OCCUPIED TERRITORIES WHICH WAS CHAIRED BY THE KING HIMSELF, ALLOCATED ONLY JD 1.5 M FOR THE ENTIRE WEST BANK. MORE THAN HALF OF THIS SUM (JD 650,000) WILL TAKE THE FORM OF DEBT CANCELLATIONS. OF THE REMAINING JD 500,000, FREIJ EXPECTS NO MORE THAN JD 50, 000 FOR BETHLEHEM.

4. COMMENT: FREIJ'S REPORT OF RECENT FINANCIAL DEVELOPMENTS CANNOT BE WISHFUL THINKING SINCE HE HAS PUT ALMOST ALL HIS EGGS IN THE GOJ BASKET. BETHLEHEM WITH ITS PARTICULAR TOURIST POTENTIAL WILL NO DOUBT SURVIVE NEGLECT BY THE MUSLIM STATES. HOWEVER, IF OTHER CHRISTIAN TOWNS--BEIT JALA, BEIT SAHUR AND RAMALLAH--ARE IGNORED, CONFESSIONAL RIVALRIES ARE LIKELY TO

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PAGE 03 JERUSA 00524 130726Z

BE EXACERBATED. WE NOTE DAMASCUS REPORT (REF B) THAT PNC CHAIRMAN FAHUM HAS ACKNOWLEDGED THE PLO'S ROLE IN THE NEW AID ARRANGEMENTS AND CLAIMS MONEY WILL BE FORTHCOMING FROM NORTH AFRICA AS WELL. IT WILL BE INTERESTED TO SEE IF GOI, IN FACT, PERMITS PLO ASSISTED MONEY TO BE DISTRIBUTED ON WB ASSUMING THAT IT EVENTUALLY MATERIALIZES.

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Message Attributes

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